National Intelligence Council

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MEMORANDUM FOR: See Distribution

FROM:

Assistant National Intelligence Officer for NESA

SUBJECT:

Warning and Forecast Report for Near East and

South Asia

- 1. The June NESA Warning Meeting addressed two topics.
- 2. Sri Lanka: The Insurgency Heats Up--Again. DI/NESA led the discussion, noting that tensions between Sri Lanka and India are slowly ebbing in the wake of New Delhi's provision of relief to Tamil insurgents after the government's recent offensive. The agreement on future relief aid benefits both governments, and the attendance of the Sri Lankan foreign minister at the SAARC meeting in New Delhi is further evidence of easing tension.

Colombo's military campaign against the insurgents in the northeastern Jaffna Peninsula began on 26 May and was an effort by government security forces to break out of enclaves in the insurgent-controlled heartland and expand government presence north of Elephant Pass. Colombo postponed the second phase of the operation, the goal of which reportedly is the capture of Jaffna town. The Tamil Tigers clearly have suffered as a result of the government's offensive, in terms of loss of leadership and morale, but NESA believes the insurgents retain the ability to mount effective operations against the security forces--especially as those forces draw nearer to insurgent strongholds around Jaffna.

Warning and Collection Note. Although Colombo is not likely to launch phase II of Operation Liberation soon, pressure from Sinhalese hardliners probably will force J.R. to resume military operations at some point. Such a move would, in turn, probably prompt Gandhi--who needs a policy success to shore up his sagging domestic image--to respond. Further terrorist bombings by Tamil militants could provoke a Sinhalese backlash against Tamil civilians that might also compel New Delhi to

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intervene militarily. Given the short transit distance involved, the modest amount of forces necessary, and the military preparations New Delhi has already made, we would have little warning of Indian military intervention in Sri Lanka.

US interests in Sri Lanka are limited—it is important primarily for port visits. a VOA facility. and as a symbol of democracy in the region.

Tamil

insurgents have not specifically targetted US installations, but US interests may be harmed inadvertently as insurgents are likely to continue attacking civilian and economic targets in order to focus international attention on the Tamils' cause and to wrest concessions from Colombo on Tamil autonomy.

3. Tunisia: Confronting the Islamic Movement. DI/NESA started off the discussion, noting that the outcome of the confrontation—at least in the short term—depends on how the Bourguiba regime deals with the estimated 400 fundamentalists in jail, especially Rachid Ghannouchi, president of the Islamic Tendency Movement (MTI), the principal fundamentalist organization in Tunisia. Bourguiba intends to handle the trials of jailed activists in criminal court in a piecemeal fashion and to hand out a mixture of short jail terms and pardons. Lengthy prison terms are likely for MTI leaders, but only after a lengthy trial in state security courts; no executions are likely.

The government appears to be fairly well in control of the situation; its capacity and will to use force against activists gives it the upper hand. Moreover, the Tunisian public is unlikely to rally behind the MTI, given police strength and general wariness of the fundamentalists. Key interest groups such as labor and the legal political parties almost certainly support the political goals of the MTI, but their differences with its religious orientation so far have precluded any real cooperation with the fundamentalists.

Government practice in dealing with the activists is likely to feature:

- repression and tracking down of MTI leaders who have thus far evaded arrest;
- -- the "staging" of police raids against so-called "Khomeneist" Islamic terrorist groups;
- -- use of new methods to coopt or compete with fundamentalist, such as the newly-created Higher Islamic Council, a propaganda campaign, or even a special PSD Congress on Islam.

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Bourguiba could also change prime ministers in an effort to defuse criticism from the activists.

Tunisia's neighbors have so far done little but watch closely, although both Algeria and Morocco view the situation as worrisome. Libya has yet to respond in any way, presumably because Qadhafi realizes he does not need to stir the pot and that doing so might discredit the fundamentalists and assist the Bourguiba regime in tarring MTI as a creature of a foreign power.

<u>Warning Note</u>. Tunisia almost certainly will experience continuing demonstrations. There is latent popular sympathy with the MTI, especially among Tunisian youths, and harsh punishment of MTI leaders could provoke more serious violence. Some government programs—the immediate induction of fundamentalists into the Army, harsh prison terms for juveniles, and what appears to be increased use of torture—could engender even greater support for the MTI.

The MTI probably will continue to grow despite the crackdown, although an Islamic revolt at this time is highly unlikely and the MTI can do little but ride the tide of popular disgruntlement with the regime.

Fundamentalism is a long-term phenomenon in Tunisia, however, and the MTI is likely to resort to means--covert cells and hideouts--that will make it better able to withstand government repression and make it more difficult to monitor. Moreover, MTI youths are likely to become radicalized. There are indications that radical fundamentalists are considering terrorism, such as bomb threats, death threats, and attacks on tourist establishments in Tunisia.

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The following components at External USAF/INAM USAF/INAP USA/ODCSINT USA/ITAC NSA/G9 NSA/G6	tended the NIO/NE	SA June Warning Meeting:	
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